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February 4, 2008

John Pierce
General Manager
Garrison-Quincy-Ky-O-Heights Water District
P. O. Box 279
Murphy's Lane
Garrison, KY 41141

CERTIFICATE OF SERVICE

RE: Case No. 2007-00476
Garrison-Quincy-Ky-O-Heights Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on February 4, 2008.

Executive Director

BOD/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GARRISON-QUINCY-KY-O-)
HEIGHTS WATER DISTRICT FOR A RATE) CASE NO.
ADJUSTMENT PURSUANT TO THE ALTERNATIVE) 2007-00476
RATE FILING PROCEDURE FOR SMALL UTILITIES)

O R D E R

On December 5, 2007, Garrison-Quincy-Ky-O-Heights Water District ("Garrison-Quincy") filed its application for Commission approval of a proposed increase in water rates. Garrison-Quincy proposed to increase its annual revenue from water rates by \$88,852, an increase of 25 percent over normalized water sales revenues of \$355,409. This proposal would increase the monthly water bill for 5,000 gallons of usage from \$28.53 to \$36.00, an increase of 26.2 percent.

By Order dated January 15, 2008, the Commission issued a Staff Report containing Commission Staff's findings and recommendations regarding the proposed rate adjustment. In its report, Staff recommended that Garrison-Quincy's proposed rates be accepted. In its Order, the Commission directed all parties to file any written comments regarding the Staff Report or requests for a hearing or informal conference within 10 days. If no request for hearing was received within that period, the Commission further ordered, the case would stand submitted for decision. No comments or requests for a hearing or informal conference have been received.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$444,261.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Garrison-Quincy on and after the date of this Order.

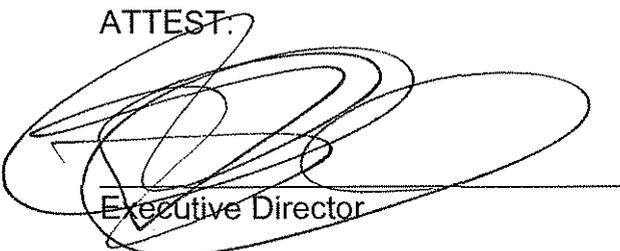
3. Within 30 days of the date of this Order, Garrison-Quincy shall file with the Commission revised tariff sheets setting out the rates approved herein.

4. Three years from the date of this Order, Garrison-Quincy shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rate approved herein is sufficient to meet its operating expenses and annual debt service.

Done at Frankfort, Kentucky, this 4th day of February, 2008.

By the Commission

ATTEST.



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00476 DATED FEBRUARY 4, 2008

The following rates and charges are prescribed for the customers in the area served by Garrison-Quincy-Ky-O-Heights Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter:

First	2,000 gallons	\$16.53 Minimum Bill
Next	3,000 gallons	6.49 per 1,000 gallons
Next	5,000 gallons	5.43 per 1,000 gallons
Over	10,000 gallons	4.29 per 1,000 gallons

1" Meter:

First	10,000 gallons	\$63.15 Minimum Bill
Over	10,000 gallons	4.29 per 1,000 gallons

2" Meter:

First	50,000 gallons	\$234.75 Minimum Bill
Over	50,000 gallons	4.29 per 1,000 gallons